

U. S. STEEL STATES ITS CASE.

DECLARAS BOND ISSUE WOULD BENEFIT ALL CONCERNED

And that stockholders approved Guaranty Syndicate Contract as for Their best Interests. Whole Story of Construction Plan Told Before the New Jersey Court of Errors and Appeals.

An appeal from the order of Vice-Chancellor Emery of New Jersey, enjoining the United States Steel Corporation from carrying out its plan to convert \$20,000,000 of its preferred stock into 5 per cent bonds and to issue an additional \$15,000,000 of bonds to provide cash capital, the bond issue to be redeemable after the expiration of ten years and payable in sixty years, was argued before the Court of Errors and Appeals at Trenton yesterday. The plaintiff in the case is Miriam Berger, who owns 100 shares of the preferred stock of the corporation.

It is held by the plaintiff that the plan of conversion, which was approved by a vote of 99-88-40 per cent of the stockholders at the meeting called for the purpose, was void, *obligato*, because the statute passed by the New Jersey Legislature on March 23, 1902, for the purpose of making legally possible the carrying out of the plan is unconstitutional. The plaintiff also objects to a contract entered into by the Board of Directors of the Steel Corporation with J. P. Morgan & Co., under which the bankers guaranteed to the Steel Corporation that \$100,000,000 face value of the new bonds would be taken, of which \$60,000,000 would represent the purchase of a like amount of preferred stock at par, and \$20,000,000 represent payments made in cash at par.

Vice-Chancellor Emery, in a decision handed down on June 17, granted a temporary injunction. The Vice-Chancellor held, in substance, that the proposed plan called for a preferential distribution of capital, since only those who agreed to take the bonds would share in the distribution and that in so far as the act of March 23, 1902, impaired the vested property rights of the holders of preferred stock, that act was unconstitutional.

The case was called yesterday at noon. The United States Steel Corporation was represented by William D. Guthrie and Victor Morawetz of New York and R. V. Landisbury of Jersey City, owing to the recent ruling of the New Jersey Supreme Court that New Jersey voters may not be heard in the highest courts of that State. Mr. Landisbury made the argument. It was conceded by both sides that the only question involved was a question of law, namely, the constitutionality of the act of March 23, 1902. The appellants, however, went over the whole scope of the plan and much that has not been known hitherto about Mr. Landisbury's argument.

In outlining the appellants' position, the argument took up in order the provisions of the act of 1902 amended by the act of March 23, 1902, which had been passed and retroactive to preferred stock, the purpose and effect of the act of 1902, the constitutionality of the act of 1902, the constitutionality of the act of 1902, the agreement with J. P. Morgan & Co.

In outlining the position of the Steel Corporation, it was pointed out that since the preferred stock is the corporation entitled to cumulative dividends at the rate of 7 per cent, constituting practically a fixed charge, the corporation, in retiring this stock by means of the issue of an equal amount of 5 per cent bonds, would save \$40,000 a year, or, as would be evident, that the attainment of a like flotation was arbitrary or illogical, and for the sole purpose of evading the restrictions of the Constitution, the legislature, in passing the act, had violated the Constitution. The corporation may have approved this legislation, but it could not be said that the act should only apply to that corporation.

The principle underlying these cases is that the act violates the Constitutional provision when it is intended by the legislature to apply only to one corporation, and never to be applied to another.

It was evident that the attorney-at-law for the corporation was of the opinion that the sole purpose of evading the Constitution was to attain a like flotation.

Mr. Landisbury concluded his argument before the hour of adjournment, and Attorney-General Metcalf, who represents the complainants, will make his appearance to-morrow morning and the Court will rule to the rule barring New York lawyers that it would not receive briefs in the case until the names of Messrs. Stetson, Guthrie and Morawetz were stricken therefrom.

WELL-KNOWN HOTEL MAN DEAD.

Edward L. Merrifield of the Continental Succumbs to Illness of Long Standing.

Edward L. Merrifield, proprietor of the Continental Hotel at Twentieth Street and Broadway, and one of the oldest and best-known hotel men in this country, died of heart disease at the Continental yesterday. He had been failing gradually for the last two years.

Mr. Merrifield was born in Vermont 63 years ago and came to this city in 1855.

He started in the cordage business without capital or friends, but was successful and a friend \$1,000 with which he purchased a share in the Continental Hotel.

In 1866 he assumed the management of the hotel to profit of the town, and though inexperienced in the business, he did a good business.

The hotel, which was at 182 Broadway, was turned to the ground in 1876. Mr. Merrifield then leased the hotel at Broadway and Twenty-first street, renamed it the Continental, and has since been managing it, though his health compelled him to take a sick leave from time to time.

The operators said they were satisfied with their present circumstances.

Bentwood Bridgeman Gives Up the Fight.

PITTSBURGH, Pa., June 25.—The first break in this neighborhood occurred this morning when three engineers returned to work at the Henry Clay, a Reading colliery. Water had been hoisted from the mine shafts since the first miners' strike had begun, and it was rapidly filling with water. The company expressed its determination to abandon the operation along with Seeding and Big Mountain. Citizens urged the engineers to apply for work in order to save the mines for the town.

The question of a general strike will be formally settled to-morrow night at a meeting of the Central Board representing all branches of the industry. All the labor men to-night seem to agree that the strike is lost.

North Hudson Mills Forced to Close.

The strikers in North Hudson and three of the mills in the Govanwood and Arbeiter mills in West Hoboken and the Govanwood mill in Hoboken were obliged to close for lack of hands. The Simon mill in Union Hill was the only one running with full complement. The strikers tried to induce the Simon mill operators to attend a mass meeting in Union Hill, but failed. The operators said they were satisfied with their present circumstances.

SAVINGS BANKS CUT RATE.

Two That Have Been Paying 4 Per Cent. Come Down to 3 1/2.

The Bowery Savings Bank and the Bank for Savings amounted yesterday that for the interest to be credited to depositors on July 1 for the first six months of 1902 would be at the rate of 3 1/2 per cent instead of 4 per cent.

The Seamen's, the Broadway and the Irving still pay 4 per cent.

It was only a year ago that the Bowery

Savings Bank, which is the largest in this country, went temporarily from a 3 1/2 per cent to only 3 per cent.

The Bank for Savings has declared 4 per cent, regularly since 1885. In 1882, 1883 and 1884 it paid only 3 1/2 per cent.

Officers of the bank said yesterday that they had been forced to do the 3 1/2 per cent because the class of securities in which savings banks may deal under the law says that the banks cannot earn more than \$36 on the \$1,000 on the money so invested. Thus, of course, is exclusive of wages, which bring it to 4 1/2 per cent.

When the legislature puts a new security on the list of those in which savings banks may trade an additional price for that security is created and brokers buy up the whole issue and put it at a price where the savings bank may not earn a greater profit than 3 1/2 per cent.

Four years ago the life insurance companies adopted a 3 and 3 1/2 per cent reserve basis after operating for some years on a 4 per cent basis. President Alexander of the Edison Co. told the Senate the leading companies in the country who had an interest in life insurance companies could count upon realizing on its total assets invested in safe securities and mortgages, and he was told that 3 to 3 1/2 per cent was the highest probable rate of return.

Earnings of savings banks have been affected by the State tax of 1 per cent on the Bowery Savings Bank has paid \$60,000 to \$60,000 a year and the Bank for Savings \$60,000 a year to the State.

It is said that at least one of the banks which continue to pay 4 per cent will reduce its rate at the end of the next six months.

New Jersey Corporations.

TRENTON, N. J., June 25.—The Engineering Company of America was incorporated today with an authorized capital stock of \$5,000,000, to continue the business of the Cunningham Engineering Company of San Francisco. It is really "issuing" nothing, as the firm originally had no stock, but it is to be sold to the public at \$100 a share.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds.

The firm is to issue 1,000,000 shares of 5 per cent bonds